SYNDIE FEEDBACK • CARS BY MAIL? • NEWSPAPERS '89

MARKETING & MEDIA DECISIONS

FEBRUARY 1989 • $4.00

NO PAIN, NO GAIN

Nuprin goes to a full-strength attack on Advil in its drive to become the leading ibuprofen. But both must beat Tylenol, the painkiller king.

Nuprin's Bob Merold is leading the charge on Advil's category lead.

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MARKETING & MEDIA DECISIONS

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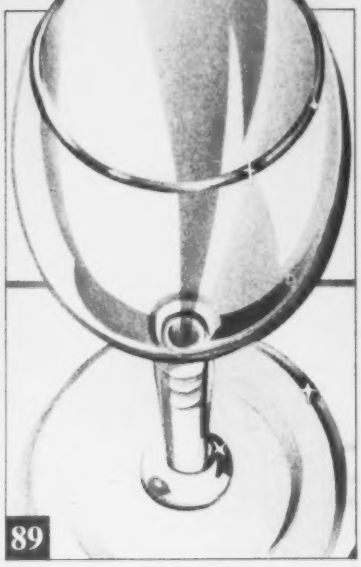

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THE PAIN GAME

Look out, Advil. Here comes Nuprin, and it's out to take away the lead. Its new ad campaign has helped tremendously in this race.

by Rebecca Fannin

New Year's resolutions are a dime a dozen, and they are most often made by those holding their pounding heads the morning after and vowing never again. However, there have been a couple of more interesting promises made for 1989 by the folks at Bristol-Myers Co. They have resolved to make their pain reliever, Nuprin, into the leading ibuprofen product, which means they will have to knock off American Home Products Corp.'s Advil brand in the process. And that's not all. The bold over at Bristol-Myers are saying they plan to give a mega-headache to Johnson & Johnson's mega-brand Tylenol, which is not just the top acetaminophen, but just about owns the pain-relief category.

"Nuprin is now established as a major analgesic and most definitely has the potential to be the dominant brand," declares Steve Bear, who a year ago became president of Bristol-Myers Products, which markets the drug. That type of bravado is rampant over at Bristol-Myers

these days, which has gotten sick of playing catch-up in the ibuprofen segment. American Home's Advil beat Nuprin to market by a mere six weeks in 1985, but it was enough to let it snare and keep 50% of the segment's sales. Nuprin's a distant second at 22%. Bristol-Myers' game plan now is to squeeze Tylenol, which effectively means they will have taken out Advil first. "We're going against Tylenol because that is the painkiller used most," says Bob Merold, director of marketing. "And we want to fish where the fish are."

Indeed, Bristol-Myers is throwing out some pretty expensive bait. It has invested millions in new packaging and distribution systems for Nuprin. And it is spending $31 million to back a new ad campaign that positions Nuprin as a little yellow pill that works better than two extra-strength Tylenol.

The results, so far, are certainly healthy. Merold notes that the ad campaign has helped Nuprin increase sales dramatically since its start last September. Over the past year, the ibuprofen category grew 9%, while leader Advil advanced 15% and Nuprin scored a 31% gain.

"Advil had a good chance of just owning the ibuprofen market because it was the first out," comments Dave Williams, a marketing consultant with New England Consulting. "But Bristol-Myers is too strong, too aggressive and too smart. Although they are a distant number-two, they are aiming to push Advil out of the lead."

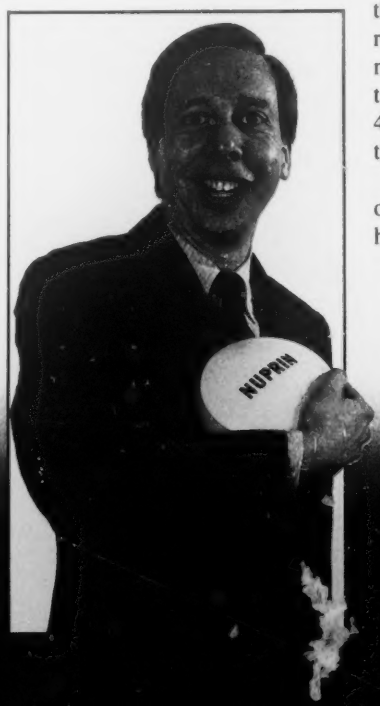
That, of course, will not be easy. American Home Products is hardly a wimpy little company. Nor is subsidiary Whitehall Labs, which markets Advil. Silent maybe, but wimpy, definitely not. Indeed, though the company routinely denies interviews, one manager, when contacted surreptitiously, noted that Advil, which spends $43 million on ads annually, held its share throughout the year. Furthermore, he claims that Nuprin's sales slowed during the September/October 1988 Nielsen period.

Merold concedes that Nuprin's sales slackened during that two-month period, but he dismisses it as a "short-term aberration." He attributes the decline to J&J's Tylenol, which was introduced in a gel-cap form last September. The gel-cap is tamper-proof and easy to swallow. "They [J&J] did a ton of high-value couponing and delivered a lot of free samples, which cut into our sales growth temporarily," says Merold.

The continuing awesome strength of Tylenol is why Nuprin has switched gears to broaden its fight to cover the whole analgesic market. Overall, the total analgesic market totes up $2 billion sales annually. Aspirin, the first mass-marketed analgesic, accounts for 40% of that, exemplified by brands such as Bayer, and buffered products like Bufferin. Ibuprofen, the newest class of pain-relief remedies, accounts for another 20% of the market. Tied with aspirin as the pain relief leader are acetaminophens, which made their name as products less irritating to the stomach. They command 40% of the market, with about 90% of that belonging to J&J's Tylenol.

Despite poisoning scares and scores of deep-pocketed competitors, Tylenol has remained *the* leading painkiller.

PHOTOGRAPHS BY MARIA FERRARI



At Bristol-Myers, marketer Bob Merold is determined that Nuprin will succeed in overtaking Advil.

Sterling Drug's Panadol has been trying for years to unseat Tylenol's leading share, but millions of dollars later, it has only a 2% position to show for it. Ditto for Procter & Gamble's Encaprin. Tylenol's strength has proved so powerful that P&G spent more than $100 million to launch Encaprin. After the brand only earned a 1% share of the acetaminophen market after two years, the company yanked it. Products like Anacin from AHP, and Buffe:in from B-M, have also barely dented Tylenol.

Four years ago, both American Home and Bristol-Myers thought they saw another way to grab sales in the burgeoning analgesic market — one which wouldn't put them head-to-head with Tylenol. They centered their efforts on ibuprofen, a drug supposedly superior in relieving severe pain. Boots Pharmaceutical Co. held the patent to the drug, and it granted Upjohn nonexclusive marketing rights in the early '70s to produce ibuprofen. It marketed a prescription version under the name Motrin.

In 1983, the Food & Drug Administration approved ibuprofen for over-the-counter use. Boots granted OTC rights to American Home Products. Advil was the end result, and burst on the scene in 1984.

Upjohn, meanwhile, whose earlier agreement with Boots allowed it to produce ibuprofen in whatever form, waffled as to whether it wanted to get into the OTC fray. Finally, the company decided it had no consumer-marketing experience and didn't want to spend the huge sums necessary for an image-building effort. But it wanted to stay in the ibuprofen game. Instead, Upjohn sold marketing and distribution rights for Nuprin to Bristol-Myers.

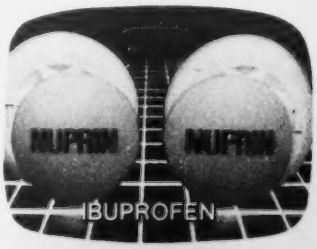
Nuprin's more complicated and delayed launch cost Bristol-Myers dearly. Financial analysts point out that several other companies that had studied whether to enter the ibuprofen market decided not to for fear their late start would doom them to failure. (Boots' patent expired in 1985.)

At Bristol-Myers Products, the drill is to look to the future rather than dwell on the past. "We have the packaging, the product, the clinical studies proving superiority and the advertising," declares marketer Merold. "One of the biggest challenges is that we have such a storehouse of powerful information that we want to get to consumers. Nuprin has great potential, and if you do it right, there is great payback."

If Bristol-Myers has finally got it right, they really should thank Upjohn. The pharmaceutical-maker, which manufactures Nuprin and reportedly collects 5% of sales from Bristol-Myers, did the original brand-identity work for Nuprin. Upjohn came up with the name, which stands for new aspirin. And the white packaging and all-caps logo give Nuprin a serious professional look, especially compared with the bright yellow and blue cartons for Advil, a name chosen to mean advanced medicine for pain. In addition, Nuprin's yellow color, chosen so that consumers wouldn't confuse it with Motrin's red pills, also looks cheery and is instantly identifiable. By comparison, industry observers say Advil's light-brown color looks drab.

But American Home did have several advantages from the start. Not only did it get into the market first, it also had a huge direct sales force. "They were able to bypass the wholesalers and go direct, and they got a lot more shelf space in drug store chains," points out Don Cowolsky, a sales manager at McKesson Co., a large drug wholesaler.

Now Bristol-Myers, he says, is beginning to catch-up. "Advil may have had the better sales force inititally, but Nuprin now has the better marketing program," believes Cowolsky. "Nuprin is showing real strong increases." Agrees C. Lance Harris, vice pres-



The new campaign for Nuprin has helped to boost sales by 31% and awareness by 50%. Advil, meanwhile, sells pain relief.

ident at drug wholesaler Chapman Drug Co., "We're seeing Nuprin coming on very strong now. And a lot of that has to do with their new ad campaign," he adds.

After four tries in four years, Nuprin may finally have found a campaign that works. "We were looking for something to differentiate Nuprin, and finally we struck upon it," says Herb Lieberman, executive vice president at Grey Advertising, which handles the Nuprin account. "We laid all the analgesics out on a desk and most of them were white. We realized that if consumers thought this drug was fundamentally different from aspirin or Tylenol, they would be more willing to try it," he adds. Therefore, the commercials, shot in black and white, play up the fact that Nuprin is a tiny YELLOW pill.

If that doesn't strike you as an earthshaking development, the commercials do play up other points as well. Namely, the claim is made that Nuprin works better than two extra-strength Tylenol. "Yes, we are emphasizing some cosmetic differences," says marketing director Merold, but "there are real differences as well. Nuprin can be used for a range of benefits — to relieve headaches, backaches, arthritis — and it is superior to Tylenol," he insists. "Ultimately, as people learn this, there is no reason why Nuprin can't double its sales."

Bristol-Myers has also become more aggressive and innovative with promotional tie-ins that give the brand high visibility. This winter, for instance, Nuprin is advertising on ski telecasts as part of a U.S. Ski Tournament promotion. At major resorts, where a series of professional races are held, the ski patrol will receive Nuprin to distribute to skiers if they have a spill.

Grey's Lieberman says Nuprin's new ads have been a real breakthrough.

This month, Bristol-Myers is breaking a cable promotion on several sports programs aired by CNN and USA Network. In addition, it will sponsor a short, weekly segment that carries footage from events that sportscasters identify as causing the athletes the worst pain of the week. Nuprin ads will run during those spots as well.

Bristol-Myers, which buys media in-house, directs about 70% of the ad budget to cable and prime-time television. Buyers look especially hard for appropriate vehicles, like coverage of the New York Marathon and health-related programs on cable.

Another 20% of the budget is allocated to print. Women's publications get the nod, where the pill is advertised as a menstrual-pain reliever. Free-standing inserts that deliver 50-cents coupons are used a "couple of times per year," says Merold, who remains a proponent of brand-image advertising rather than price incentives to induce sales.

In addition, Bristol-Myers directs 10% of the total dollars to professional marketing. Besides advertising in medical trade journals, the company has distributed several hundred million samples to doctors. "We want doctors to understand the superiority of Nuprin over other painkillers and to appreciate the studies we have pioneered about ibuprofen," says Merold. Last year, Bristol-Myers consolidated its professional advertising at Grey with subsidiary, Gross, Townsend, Frank & Hoffman. Previously, the account was at Marty Federer & Associates.

PILLS IN MILLIONS
(sales figures, millions of units sold)

	1988	1987	+/– %, '88 vs. '87
Aspirin	297	300	– 1.4%
Acetaminophen	193	195	– 1.2%
Ibuprofen	112	80	+ 14%

Source: Nielsen Marketing Research

Nuprin's progress has not gone unnoticed at American Home, where one executive concedes that "Nuprin has a damn good campaign." One result is that American Home has gone on the attack. It has broken new ads that use more vibrant spokespeople and dramatic lighting, according to this manager. The ads, handled by Young & Rubicam, include consumer print that positions Advil as a remedy for headaches, arthritis and cramps. Tv commercials in 15- and 30-second lengths use spokespeople who have switched from either aspirin or Tylenol to Advil. Time is bought during prime time as well as on Hispanic tv stations.

Both companies have had difficulty in finding the right ad message. Nuprin's first ads in July 1984 traced its heritage, identifying it as the same type of medicine that doctors had written a hundred million prescriptions for. It was also described as different from aspirin or Tylenol.

But that campaign had to be dropped because of FDA requirements. The agency only permits new over-the-counter drugs to refer back to their prescription status for six months after introduction. A second series of ads showed Nuprin working to relieve specific symptons, such as backaches and headaches. It too was short-lived. A third execution was launched in September 1986, when Bristol-Myers clinical studies showed that the brand re-

lieves pain more effectively than Tylenol. Ads featured actor Mason Adams, the managing editor on the then-popular tv show *Lou Grant*, to announce this and establish the brand's credibility.

Still, the campaign was a controversial one, and J&J sued. But the FDA agreed with Bristol-Myers' claim, and the company prevailed.

Ironically, the campaign wasn't greeted well by consumers. "We had all these studies claiming Nuprin's superior pain-relieving ability, but sales weren't picking up," says Grey's Lieberman. "We found that in order to get trial, we had to differentiate the brand." The ads were pulled after five months while the agency and Bristol-Myers debated what to do next. Since the new campaign began emphasizing its tiny yellow pill status, Nuprin's awareness level has soared more than 50%.

Advil also had a tough time finding the right image. It was first advertised as a revolutionary breakthrough, and made much of the fact that its main ingredient was previously available only in prescription form. But American Home was quickly slapped with a lawsuit from Upjohn, which claimed that the ads were misleading. It contended that the ads would draw patients from the prescription drug, which contains a much higher dosage of ibuprofen.

The color of Advil, a brownish-red, was also cited as being too close to Motrin's red color. In response, American Home altered its copy and color reproduction. The result was that throughout Advil's first years, positioning flip-flopped from one claim to another. "American Home could have swept the board clean," says Grey's Lieberman. "But they muddied the image."

Actually, both brands have been criticized for emphasizing too strongly that ibuprofen had originated as a prescription drug. Analysts point out that this positioning has caused a lot of consumer confusion, with the result being that the segment didn't meet sales expectations. Projections had been for the brands to reach 20% of the analgesic market within a year. But the two only managed 15%.

Now both have taken direct aim at acetaminophen and aspirin. Instead of chronicling the development of ibuprofen, ads state that the drug provides superior relief to Tylenol and doesn't irritate the stomach like Tylenol.

However, aspirin sales have been on an upswing since a study showed that aspirin is a preventative against first heart attacks. And Bayer, Anacin, Excedrin and Bufferin may be a bigger source for worry once they can make that prevention claim in advertisements. They must first complete exhaustive studies to provide the FDA with substantiating data.

Nuprin and Advil brand managers may have another factor to fret over. Although their brands together claim nearly three-fourths of ibuprofen sales, Medipren from Johnson & Johnson is being advertised more forcefully. The brand, however, only controls 10% of ibuprofen sales. "J&J hasn't done better with Medipren because they have been in a Catch-22," says Jerry Treppel, a financial analyst with Swergold Chefitz. "They want to protect Tylenol."

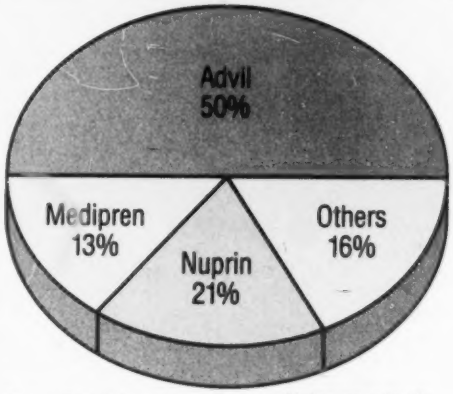
When Medipren was introduced two years ago, it was positioned as an arthritis pain reliever, avoiding Tylenol's turf in fighting backaches and headaches. But this fall, J&J broke a new ad campaign for Medipren that seeks to broaden the usage of Medipren for any kind of pain. "J&J has sat back for a couple of years, saying, 'Let the competition educate the consumer,' " observes analyst Saberton. "Now they are trying to benefit from their competitors' headway."

A small percentage of the market is reserved for generic brands. While a bottle of Advil is priced at about $2.79 for 24 tablets, consumers can spend the same amount and get 50 of the generic variety.

The rest of the ibuprofen market is left to Sterling Drug's Midol 200, Upjohn's Haltran and AHP's Trendar. These companies, which jumped into the market in 1986 when the ibuprofen patent expired, chose not to go head-to-head against Advil and Nuprin. Instead, they are nestled in a $65-million subsegment as remedies for menstrual cramps.

The only thing certain in the fragmented analgesic market is that it is big enough to battle over. What everyone is waiting to see is if Bristol-Myers will indeed keep its New Year's resolution. ■

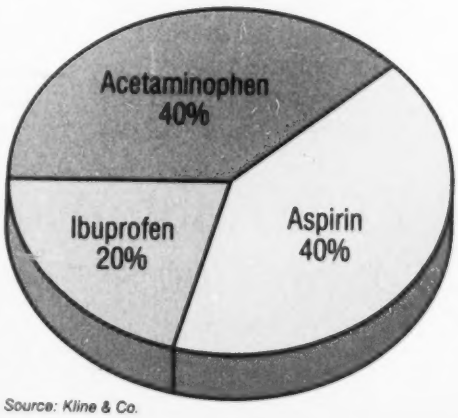
IBUPROFEN MARKET PROFILE
(sales breakdown by market share)



Source: Bristol-Myers, Kline & Co.

	% increase in $'s, '88 vs. '87
Advil	+15%
Nuprin	+31%
Medipren	N/A
Others	N/A

1988 SHARES BY TYPE
(breakdown for pain killer market)



Source: Kline & Co.

AS THEY SEE IT

MEDIOLOGY

Ed Papazian

THE FUTILITY OF TUBE-BASHING

I try to be neutral, but it seems to me that the print media are deluding themselves with their ongoing barbs against television. Recent anti-tv articles in *Time* and *Newsweek* (focusing on the growing number of tabloid shows such as *Geraldo* and *Morton Downey, Jr.*) are the latest manifestation of such thinking, which I feel is leading to a mistaken sense of complacency in magazine and newspaper publishing circles.

The anti-television party line is extremely predictable. It generally goes like this:

1. Television has lost much of its impact.

2. This is due to formatting audiences, the use of shorter commercials (resulting in more ad clutter) and the overall decline in the caliber of television programing.

3. Hence, a significant portion of Americans — mostly the affluent and better educated — are not watching television to any major degree. The only way to "reach" them is with other media. (Magazines and newspapers, perhaps?)

However, the facts do not support such conclusions, and most tv advertisers have reacted to the erosion of major network ratings, quite sensibly, by simply buying time on the alternate forms of tv — cable, barter syndication, the new Fox network, independent channels and, more recently, home-video-movie releases.

As reported in my newsletter, *Media Matters*, the average American tv home resident spent 21 hours per week with ABC/CBS/NBC fare in the early 1950s, and this frequency has declined to a current level of 13 hours. On the other hand, competitive forms of television have risen from a mere four hours of weekly consumption to 15; except for public broadcasting and pay cable, these new tv options offer a plethora of commercial exposure opportunities and attract well over half of all tv spending. In fact, the Advertiser Syndicated Television Association recently suggested that advertisers could improve their national reach by increasing their use of barter syndication.

As for the issue of commercial effectiveness and lowered program quality, there is evidence that commercial exposure has declined somewhat over the years, although not horrendously, as some critics suggest.

No, television isn't falling apart. Instead, it is realigning its power structure and evolving with new program forms, commercial lengths, alternative networks and modern technologies to measure its audience (people meters, heat sensors, UPC scanners, etc.). While such developments may pose problems for the major networks, this trio represents only one component — albeit a big one — of commercial television. And before we write the major networks off, it should be noted that their demise has been predicted before — in the early 1970s, just before they rebounded and scored their greatest revenue and profit gains.

The print media have many positive attributes that could and should be promoted aggressively. Instead of tube-bashing — a tactic that has never worked in the past — it would be more beneficial for magazines and newspapers to define their merits and develop new enhancements (networks, event sponsorship vehicles, positional and editorial tie-ins, etc.) to make them more attractive for contemporary marketers. ■

The opinions expressed in the "As They See It" section are personal observations by practicing professionals. They are not those of the magazine.

MAGAZINES

Cherie Crane

Senior vice president, media director, Ketchum Advertising, Los Angeles

DEMYSTIFYING THOSE DISCOUNTS

The newsweekly magazines were at the forefront of many publications that felt negotiating relegated their editorial product to that

of a commodity, purchased solely on CPM, with little regard for quality. Many agency media mavens agreed. Today, however, different advertisers with the same schedule in the same magazine can pay a very different rate. Does this mean that *Time*, *U.S. News* and *Newsweek* have taken up negotiating? No — not exactly.

The arcane discount plans offered by the newsweeklies do not change relative efficiencies, nor have they had a dramatic effect on ad-page performance.

The newsweeklies responded to pressure from the media-buying community for rate negotiation by creating sophisticated and complex discount plans. These plans were designed to work as an incentive. So were born ABIP, HDVIP, MAX and Matrix from Time Inc.; Match from *Newsweek*; and Flex, Redesign Bonus and HDVAP from *U.S. News*, along with multi-year commitments. These plans took discounts to a new level, rewarding more than just volume, but including benefits for maintaining a schedule. There were more advantages for increasing your schedule and maximum discounts if you'd commit for the next two, three or four years.

This appears to make sound marketing sense. The advertiser gives the magazine a commitment, and the magazine provides a favorable discount. That qualifies as negotiating. But where is the incentive? This apparent contradiction stems from two facts. First, competitive publications will not let another book develop an advantage. And the plans are too numerous and complex to work as an incentive.

A look at the newsweekly field, where these discount plans have been most prolific, shows they do not change relative efficiencies. *Time* magazine was the first to present an innovative discount plan. It initiated multi-year commitments, renewal discounts, share discounts, high-volume discounts and corporate discounts for Time Inc. books. It also made good use of limited rate increases.

Despite these innovations, there was little change in the relative efficiency of *Time* compared to *Newsweek* or *U.S. News*. ABIP was met by the Redesign Bonus Plan and MAX found its counterpart in Match and Flex. Two-year commitments were countered by renewal plans. Against our client's upscale male demo, *Newsweek* remained the most efficient, followed by *U.S. News* and then *Time* (see Chart I).

There is little evidence that these discount plans work as an incentive. While overall pages are up in the category, *Time*'s multitude of plans has not increased its share of newsweekly pages and Match Plan didn't do much for *Newsweek* (see Chart II).

The same is true in pages. *Newsweek* declined and *Time* was up a modest 1.8% in pages, less than the category average (see Chart III).

U.S. News is the big winner in the share comparison, as well as in the comparison of pages. Carl Spangenberg, *U.S. News* associate director of advertising sales, believes, however, that the primary responsibility is due to factors other than the Flex discount plan. Spangenberg believes its increase is the result of "stronger editorial prod-

CHART I

POST-DISCOUNT COMPARISON BY TARGET

Publication	Open Rate CPM Page 4/C Bleed	Index	Earned Rate Index
Newsweek	$70.22	100	100
U.S. News	77.05	110	105
Time	83.42	119	119

Source: Standard Rate & Data Svc., June 1988; SMRB 1988 (Men 35-54, HH income $50,000, W 50% discount, out of home).

CHART II

SHARE COMPARISON

January—August Share

Publication	1987	1988	Index
Time	36.5%	36.4%	99
Newsweek	39.0	36.1	93
U.S. News	24.5	27.5	112

Source: Media Industry Newsletter

CHART III

PAGE COMPARISON

January—August Pages

Publication	1987	1988	% Change
Time	1,540.38	1,568.18	+1.8
Newsweek	1,646.8	1,554.59	-5.6
U.S. News	1,036.18	1,186.00	+14.5
Category	4,223.36	4,308.77	+2.0

Source: Media Industry Newsletter

uct and more effective selling." It could also be noted that "sale psychology" played a role in this increase as well. If something is on sale, we tend to assume it must be a good deal.

Time's sibling, *Fortune*, also says its increases are not a result of MAX. "MAX is not used as a planning tool," according to *Fortune*'s Los Angeles account executive, Jeff Young. While pages are down 2% among the three leading business books, *Fortune* is up 8% (see Chart IV).

Sheer complexity and number make these newsweekly discount plans unworkable as a planning incentive. It is beyond the skills of a planner with two-to-five-years experience to understand and calculate the myriad multiple-year plans and compare discounts.

This puts the planner at the mercy of the sales rep. The sales rep will pull open rates for the past three years of your schedule. The sales rep will do the calculations and compare all of their plans for you. Many of the reps, however, were not math majors, and we have found six-figure bonuses in the discount plan not recommended by the sales reps with all their printouts. This kind of payoff will justify the agency's time.

CHART IV

BUSINESS BOOK PAGE PERFORMANCE

January—August Pages

Publication	1987	1988	% Change
Business Week	2,818.84	2,742.32	97
Forbes	2,363.20	2,170.80	92
Fortune	1,846.26	1,988.35	108

Source: Media Industry Newsletter

Further, a planner with the mathematical skill, the time and the patience to evaluate all of the discounts can be worth his weight in gold. (You'll want to keep that person, too, because next year the plans will all be different. Few of the original plans, such as ABIP and Redesign Bonus, are still around.) Still, after all the calculations were complete, the discounts did not change relative efficiencies from open rates and did not do anything a simple dollar volume discount couldn't do much better.

The complexity also translates to selectivity — a synonym for negotiating. It is selectivity that creates inequalities between advertisers with the same schedule. Base years, minimum spending and discount year definitions that vary from contract years all provide a means to isolate advertisers who earn the more attractive discounts while not going off the rate card.

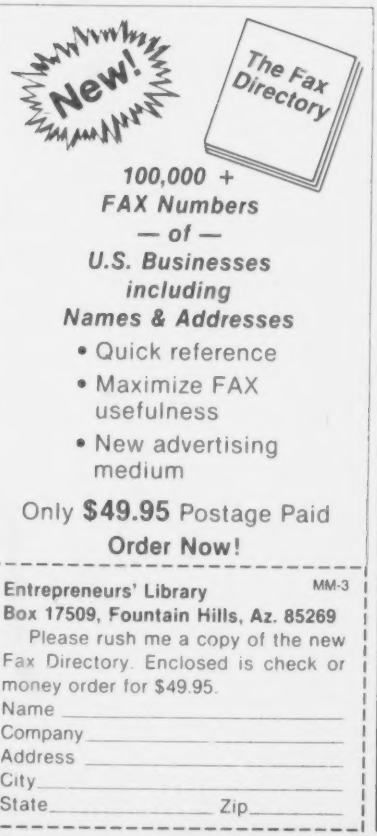
Selectivity allows a publication to push stand-by space for a 35% discount, or to qualify an advertiser for retail rates with an 800-number. When a specific advertiser with a schedule identical to yours gets a break, the publication can point to the rate card. What you get are rates that one advertiser can qualify for and another with the same volume cannot. But because it's on the rate card, the magazines don't call it negotiating.

As a beneficiary of *Sports Illustrated*'s base year, we can still admit that a standard base year for all advertisers unfairly rewards some advertisers. *Sports Illustrated* uses a base year prior to the introduction of a new division for our client. *Money* magazine, also from Time Inc., uses a base year identical to that client's introductory year. The two magazines have a similar schedule and our investment has grown in the same proportions over the last three years. We qualify for *SI*'s base year criteria, however, and not *Money*'s. Consequently, we earn an additional 16% discount on *SI*.

Discount structures can isolate image advertisers from tonnage advertisers with the same schedule in the same publication. Multiple magazine discounts benefit large advertisers with diverse divisions and diverse magazine lists. They benefit tonnage advertisers uninterested in environment. They do not benefit an image advertiser that would prefer to apply the discount to the publications that earned it through volume and frequency.

Corporate magazine plans often support publications that are unable to attract advertising on their own merits. Discounts are structured as, literally, a deal "you can't refuse." By adding a publication, you can increase your discounts to a level that reduces your bottom-line cost. Be forewarned, however, that editorial environment, a key criteria for the image advertiser, takes a back seat.

Share discounts are also selective in whom they benefit. They can provide a greater discount for a smaller advertiser provided it reduces its space in other publications. This is another first attributable to Time Inc. — rewarding advertisers not for increasing their Time Inc. spending, but for cutting spending in other magazines. You can't blame a loyal advertiser who rebels when a smaller advertiser is able to earn a discount that the larger advertiser can't qualify for despite a large increase in dollar volume. ■



TELEVISION

Ron Lawrence

Senior vice-president, media director,
D'Arcy Masius Benton & Bowles, Los Angeles

THE BATTLE FOR ATTENTION

No one with even the most rudimentary sense of economics would ever suggest that $100 in 1989 has the same buying power that it did in . . . oh, I don't know, pick a year. Let's say 1975, 14 years ago. In actuality, it now takes over $220 to buy what $100 would back then, according to the U.S. Bureau of Labor Statistics. Inflation is an understood and accepted fact of life. To deny its existence would be, in Mr. Spock's word, illogical.

Yet in the world of advertising communications, this sort of illogicalness is far too much in evidence, particularly as it relates to media planning for television. For example, there is often an implied assumption that 100 1989 target rating points (TRPs) buys you the same kind of representation and impact in the medium that it did in 1975 and in even more recent times past.

It's not just a reach/frequency issue. By this time, hopefully, we all recognize that the audience cumes born of the "People Meter Age" tend to be much lower than we once assumed them to be. We now see reach curves commonly falling 10-15% short of where they once were during the "Diary Days." And maybe that's cool. After all, it's all relative, and there's probably no reason to reinvent the wheel over this issue, since it's still rolling in the same direction. But my real concern is not how far reaching, say, a 300 or 400 TRP flight is today, but how much "oomph," or impact, does the plan have left when it gets there.

Consider the battle — and it is a battle. The enemy is the tv viewer who is either consciously or subconsciously trying to avoid my client's message. And even when the viewer calls a truce and agrees to give us his or her attention, the cluttered commercial landscape makes it extremely difficult for anyone to decipher and remember just what we were trying to say.

The terrain over which a tv commercial must travel today in order to achieve "breakthrough" is filled with many land mines, not least of which include:

- *Passive Viewer Avoidance*: The viewer, in an almost Pavlovian reaction to a break in programing, commences to indulge in any number of activities — talking, reading, making a snack, going to the john, etc. This is no revelation. Certainly this type of behavior has been going on since the days when Uncle Miltie was king.
- *Active Viewer Avoidance*: The viewer, purposefully and with malice aforethought, seeks to avoid our message. While this is hardly a new phenomenon, it is one that has been measurably facilitated by the new technologies. The burgeoning availability and use of VCRs and remote-control devices, coupled with so many more program options, has enabled the disgruntled viewer to zip and zap at will.

A variety of factors are busily redefining the value of today's tv target rating points.

The jury is still out as to exactly what extent this type of "aberrant" behavior is taking place. Nevertheless, the various factors affecting this issue should be cause for much concern, as Chart I indicates.

- *Commercial Environment*: The plethora of commercial messages on the air today versus yesterday is simply staggering. Chart II shows rounded estimates and '88 projections, based on reported BAR data, for an average number of network tv commercials per week.

Note that for the purpose of simple illustration and readily accessible data, the chart recaps only the network tv environment. In short, the number of commercials on air has nearly doubled in the last 13 years. Further, imagine how much more cluttered the situation becomes in any given market for any given affiliate, when two to four minutes per hour of local commercial time are added to this base.

CHART I

THE GROWING OPTIONS

	1975	1980	1985	1988
% HH VCR Penetration	-0-	1	21	59
% HH Remote Control	*	*	29	54
% Cable HH	13	23	46	53
Avg. # Stations/Channels Available Per HH	7	9	11	12

Source: TV Bureau of Advertising; TV Dimensions 1988
**Not measured in Nielsen during this time; estimated at less than 15% in 1980, "negligible" in 1975.*

CHART II

AVERAGE NUMBER OF NET TV COMMERCIALS PER WEEK

	1975	1980	1985	1988
Total:	3,500	4,075	5,125	6,250
(Index):	(100)	(116)	(146)	(179)

Source: Broadcast Advertisers Reports.

• *Commercial Length*: Once upon a time, the commercial world was characterized by sponsorships and almost exclusive use of 60-second units. By 1970, at least two-thirds of all inventory was in the form of :30s. Today, while not yet dominant, :15s, in just three short years, have become a standard unit of acceptance by agencies, clients and the tv medium alike. (See Chart III.)

CHART III

THE SHRINKING SPOTS

Commercial Length	% NETWORK UNITS 1975	1980	1985	1988
– :60	6	2	2	2
– :30	93	96	84	61
– :15	–	–	10	36
All Others	1	2	4	1
	100	100	100	100

Source: TV Dimensions 1988; *BAR for first six months, 1988*

Taken as a whole, it's not a pretty picture. We've got an audience trying desperately to escape and trick us at every turn. And when we do get their attention, we stand an excellent chance of losing it in an avalanche of competitive activity.

One industry trend source (*TV Dimensions*) estimates that the cumulative effect of these factors is that 40% of a prime-time audience remains fully attentive and 24% partially attentive. This leaves 36% of the audience, in effect, "out in space," out of the room or playing with the hardware.

What is our most immediate response to all of this? Better creative. We point to the need to make more riveting and exciting commercials to stimulate a higher level of viewer interest. No argument there. That's like coming out in favor of mom, apple pie and lower cholesterol levels. Still, despite this good intention, it is not always easy to realize. The development of "breakthrough creative" is hampered by growing industry restrictions, ever rising production costs and more sophisticated research leading to more optimized but homogeneous strategies. In other words, we're all starting to sound alike.

Still, a better creative product is only part of the solution. Even great creative will fail if backed by lack luster, knee-jerk plans.

And this gets back to my original concern. Our media plans today are only shadows of what they once were because, in the face of a changing tv environment, we still too often try to cling to our comfortable historic definitions of what constitutes low, medium and high levels of weight for our client categories. And we tend to pass this legacy on from one media-planning generation to the next.

Granted, our plans do have a different look and feel to them than in times past. But this is usually the result of attempting to stretch budgets beyond their natural limits. For example, we switch to :15s for reasons that are driven by economics. Before long, we convince ourselves that the use of shorter units is the smarter way to go, rather than recognizing it for the fall back position that it really is. Similarly, we extol the virtues of alternative dayparts and programing sources such as early-evening syndication. After a while we forget that the high cost of network prime drove us there in the first place. And really, if we had our druthers, we'd take a top-20 network show any day of the week over the best syndication currently has to offer.

Sometimes we even shift weight to other media and play back its benefits in tv terms as we do with the use of radio and its potential for "image transference." Soon, we find ourselves wondering if there really is a further need for visual reinforcement once a commercial has been on tv for all of one or two months.

On the executional front, we talk about fighting harder for more favorable pod positions, naive to the im-

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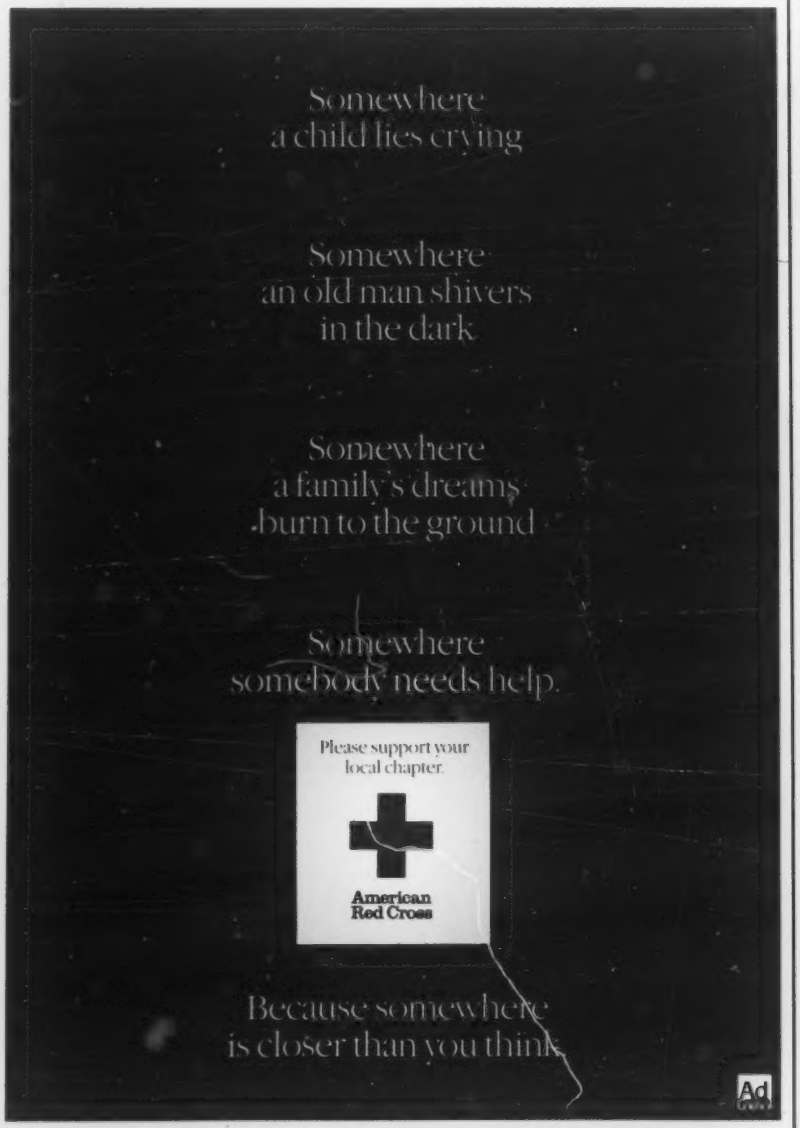
possibility of consistently bringing off such good intentions in the long run.

This is not to suggest that these options should not be explored or that they have no value. They are viable, and they do enhance a plan when used appropriately. The problem is that all of these types of maneuvers are based upon a strategy of *recutting* the media-weight pie or *substituting* ingredients, rather than seeing the need to *increase* the pie itself.

All avoid the consideration that the greater the presence on air, the greater the opportunity to catch the viewers' attention and therefore increase the chances of a successful campaign. It almost becomes a matter of statistical probability. To use the battle metaphor once more, you can improve the skill of your troops and upgrade the caliber of their weapons, but sometimes it still comes down to a matter of not having enough troops.

Beyond theories, I've seen this work time and again. Yes, it means budget increases or significantly reduced periods of time in which we can be on the air effectively. At times, it may even mean staying off the air altogether. Then so be it. We're not doing ourselves or our clients any good by trying to ignore the devaluation of a commercial TRP. Frankly, that is akin to suggesting that $100 today has the same value as it did 10 or 15 years ago. ■



RESEARCH

Joshua Ostroff
Associate media director, Hill, Holliday, Connors, Cosmopulos, Boston

TELEVISION RATINGS AND THE THEORY OF EVOLUTION

The evolution of species, according to current theory, may be summarized as long periods of gradual or no change, punctuated by brief episodes or rapid adaptation or reordering in response to external events. Though Charles Darwin might take exception, it's just this sort of genesis that provides a suitable framework in which to discuss the national television ratings situation.

The period of time preceding 1987 — the Lower Nielsenic Period — was a simple one marked by gradual change in ratings diaries and samples. Primitive man lived by Nielsen alone, a bit ignorant perhaps, but nonetheless at ease. That peace and harmony suddenly was shattered by the arrival of the people meter, a meteor portending great change. The 1987-88 television season witnessed an explosion of life-

BRAND REPORT

No. 159: Tabletop

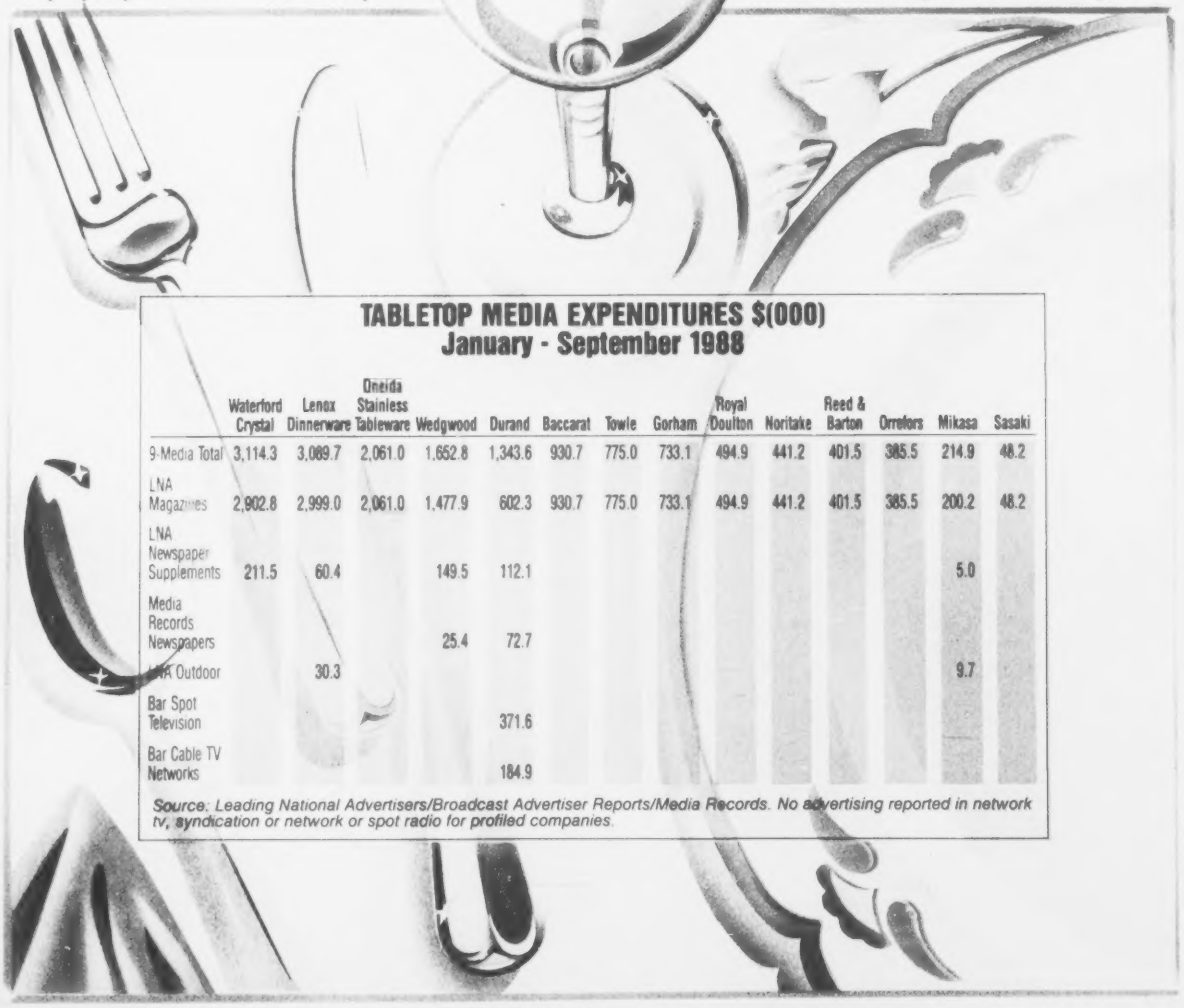
TABLE MANNERS

by David Kalish

Nursery-rhyme lore has it that the plate ran away with the spoon, and in real life, that romance is being played out in the tabletop world by big-name, powerful marketers like Wedgwood China and Waterford Crystal.

The acquisition of Wedgwood, the leading English fine and bone china company, by Waterford Glass Group in October 1987 is a sign of the growing trend toward consolidation in the fragmented $3.3 billion tabletop industry. Beset by shrinking profits in a deeply competitive field, tabletop companies that once concentrated on crystal or china are expanding beyond their traditionally narrow bases.

The idea to spread into more profitable lines is just one more way com-



TABLETOP MEDIA EXPENDITURES $(000)
January - September 1988

	Waterford Crystal	Lenox Dinnerware	Oneida Stainless Tableware	Wedgwood	Durand	Baccarat	Towle	Gorham	Royal Doulton	Noritake	Reed & Barton	Orrefors	Mikasa	Sasaki
9-Media Total	3,114.3	3,089.7	2,061.0	1,652.8	1,343.6	930.7	775.0	733.1	494.9	441.2	401.5	385.5	214.9	48.2
LNA Magazines	2,902.8	2,999.0	2,061.0	1,477.9	602.3	930.7	775.0	733.1	494.9	441.2	401.5	385.5	200.2	48.2
LNA Newspaper Supplements	211.5	60.4		149.5	112.1								5.0	
Media Records Newspapers				25.4	72.7									
LNA Outdoor		30.3											9.7	
Bar Spot Television					371.6									
Bar Cable TV Networks					184.9									

Source: Leading National Advertisers/Broadcast Advertiser Reports/Media Records. No advertising reported in network tv, syndication or network or spot radio for profiled companies.

JENNY ADAMS

panies are adjusting their marketing plans to the shifting tastes of America's consumers. Wedgwood, after being acquired by Waterford, recently expanded its line of china, as did another leading china marketer, Lenox. Traditionally a field of specialists, with hundreds of companies vying for a slice of one of three tabletop segments — dinnerware, glassware and flatware — luxury tabletop players increasingly are becoming full-resource companies.

Troubling statistics tell the slow-sales story. In 1987 dollar sales of flatware edged up 2.5% to $825 million, glassware increased a slim 2% to $1.3 billion and dinnerware brought up the rear by slipping 1% to $1.2 billion, according to Packaged Facts. Overall dollar volume is expected to increase only 1% each year over the next three years, with this year's projected sales revenues at $3.4 billion.

Beyond consolidations, tableware manufacturers are redirecting their advertising campaigns to take advantage of the trend to marry later, which has led to more ads in upper-crust publications like *Connoisseur* and *Travel & Leisure*. The bridal market accounts for 15-21% of tabletop purchases, according to Packaged Facts.

But efforts to buttress sagging sales face an uphill battle — particularly in the lackluster silverware market, where small unit volume and unpredictable silver prices made profits few and far between. While consumer glassware and household tableware prices have risen slightly since 1985, flatware prices are down. Three years ago Towle Manufacturing, after expanding too rapidly, went into Chapter 11, a financial situation that the sharply down-sized company is only now beginning to climb out from. Says Harmon Stein, president of Retroneu, an upscale flatware company based in Garden City, N.Y., "We are working on lower margins now than we were several years ago."

Nevertheless, industry executives say the outlook for silverware, which comprises the second-largest flatware segment after stainless steel, holds promise: Trends in population and national preferences point to an impending resurgence. For starters, there's more consumer interest of late in silver products, with antique shows enjoying a renaissance of sorts. Also, there seems to be a rebirth in formal weddings in the United States. A 1988 survey by *China, Glass & Tableware* magazine shows 60% of department stores reported increases over 1986 in bridal registrations.

Tableware problems are rooted in the flood of cheap imports, which forced marketers across the board to cut into profit margins these past five years by discounting prices. Compounding things is the weak brand images of tabletop items. The small-margin industry is notorious for spending very little on advertising — most annual budgets are less than $1 million.

Lenox vies with Royal Doulton for the head of the table in fine china.

Television advertising is virtually unheard of, with the vast majority of dollars plowed into magazines. Ad directors at magazines that appeal to the affluent report times are good for tabletop advertising. They credit tabletop companies' more targeted efforts to reach an older bridal market, which is forcing an expansion of the print buy to include magazines beyond *Brides* and *Modern Bride*. All told, tabletop ad spending was $29.8 million in 1987, according to BAR/LNA, up roughly $200,000 from 1986.

Frustrating the industry is the recent wave of closings and consolidations in the department-store business — led in 1988 by Campeau's acquisition of Federated Department Stores — which diminished the number of outlets for tableware. This made it murderous to get the prime display space crucial for selling high-ticket items. Says one industry observer, "It's more difficult for smaller companies to get on the shelf. It's the type of environment where the strong get stronger."

With most tabletop companies privately-held or owned by foreign corporations that do not break out U.S. sales, reliable figures on annual sales of most large U.S. tabletop companies are unavailable. However, a rough picture of the industry begins to emerge using a combination of research sources and interviews with executives and observers.

Lenox, a division of Brown-Forman Co., is considered the leading luxury dinnerware company, with its current dollar share of the fine china segment at roughly 30%, according to Macomber Associates, a Newburyport, Mass., research firm. Following is Royal Doulton, with roughly the same share, Noritake with 15%, Wedgwood with 12% and Mikasa with 8%.

In the fine crystal segment, Waterford leads with 28.9% of 1988 dollar sales, according to Macomber. Following is Lenox with 23.5%, Mikasa with 11%, Gorham with 10.66%, Sasaki with 2.8%, Orrefors with 2.5% and Durand with 2%.

In flatware, Oneida is the runaway leader, with extremely strong sales in stainless steel, followed by silversmiths Reed & Barton, Towle, Gorham and Retroneu.

The following segments of the tabletop industry focus on those companies that dominate the upstairs, or luxury-sales departments of retail outlets, as opposed to mass-merchandise marketers like Corning, which generally sells their lower-priced wares in department stores' budget areas.

FINE DINNERWARE

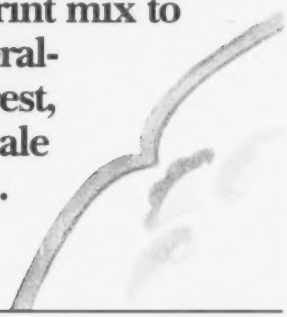
Lenox

Lenox China, the leading U.S. manufacturer of fine china with roughly 30% of total sales, is undergoing a drive to widen its dominance in the upscale dinnerware category. In 1988 the Lawrenceville, N.J., company introduced a line of white bone china to complement its traditionally ivory-colored ware. The introduction comes after the disappointing launch of Lenox's Bouquet line, a foray into the dis-

counted dinnerware market. All told, Lenox has six dinnerware lines ranging in price per place-setting from $80 to $300. Lenox claims its popular Charleston is the best-selling formal pattern in the bridal market.

The company's primary target is women 18-49 with a household income of roughly $30,000. To reach them, it spent $4 million last year in advertising and plans to sustain that level in 1989. The bulk of that money — 40% — goes into bridal publications (half of Lenox's business is marriage-related). But with people marrying later, and presumably having more money to spend as a result, Lenox has begun advertising in *Elle*, *Vanity Fair* and other sophisticated lifestyle publications. FCB/Leber Katz is currently looking for an alternative to freshen up the existing Lenox print tagline, "Because art is never an extravagance."

Lenox has opened its print mix to general-interest, upscale titles.



Lenox dinnerware, 90% of which is manufactured in the United States, can't be found in mass merchandise stores like K Mart and is instead distributed in virtually all upper-end department stores.

Royal Doulton

Royal Doulton, which says it sells more bone china than anyone else in the world, controls roughly one-third of U.S. sales of fine china, Macomber reports. Doulton markets four lines of fine and bone china dinnerware in the United States, including Royal Doulton (which accounts for the greatest share of U.S. sales), Royal Albert, Minton and Royal Crown Darby.

S. Pearson & Son, the British owner of Doulton, spent $447,000 on U.S. advertising in 1987, all of it in magazines, LNA reports. Doulton's broad line of fine and bone china aims for both the young bridal market and older, more affluent consumers. Heavy competition in the bridal arena forced Doulton to heavily discount its Moselle and Majestic collections.

Noritake

Noritake Co. Inc. of Secaucus, N.J., a private Japanese-owned firm that sells primarily fine and bone china dinnerware, dominates the young bridal market and claims to sell the largest volume of upscale dinnerware in the United States. With a marketing strategy that emphasizes price point and volume sales, Noritake recently introduced more sophisticated patterns that incorporate oriental and geometric designs. Place settings cost $20-$150 for a set.

While over 50% of Noritake's business is marriage-related, the company's 1989 media buy reflects a broadened effort to extend beyond just bridal books and reach couples who have been married for several years. "We've increased the number of pages in shelter and epicurean books from five years ago," says Floyd Sullivan, Noritake's Chicago-based advertising manager. For the first time in 1989, Noritake ads appear in *Architectural Digest* and *Essence*, increasing the total ad budget about 25% to $500,000-$750,000.

Wedgwood

Wedgwood, following its acquisition by Waterford Glass Group in 1987, began a drive to upscale its entire line of fine bone china dinnerware. Last year, the company introduced a new luxury bone china called Royal Court that costs a pricey $135-$200 per place setting. "The aging of the bridal market falls right into our laps, with working couples who have more spendable income," says Timothy DeVine, senior vice president of sales at Waterford Wedgwood Inc., based in Wall Township, N.J.

With strong post-merger marketing emphasis on the bridal market, Wedgwood said it spent roughly $2.5 million on 1988 advertising, with heavy ad runs in the *New Yorker*, *Architectural Digest*, *Better Homes and Gardens*, and *Elle*, as well as in *Brides* and *Modern Bride*. New ads dramatize the English company's history-steeped background, with one provocative effort claiming, "The Duke gave up his kingdom for the woman he loved, then surrounded her with all things beautiful," including Wedgwood china.

Wedgwood is a well-established brand in Australia and Europe, but Waterford's formidable strength in the United States is lending marketing clout to the new dinnerware division, helping to win it favorable display space, according to DeVine. Wedgwood said it had $50 million in U.S. sales in 1988.

Mikasa

Mikasa, by coincidence also a Japanese-owned company based in Secaucus, N.J., saw its dollar share of fine dinnerware slip in recent years. Mikasa has been both a victim of the dollar's fall against the yen and of an overextension into patterns that did not prove popular. A high-volume marketer that relies on price advantage to ring up sales, Mikasa's claim to fame traditionally has been its vast array of dishware patterns. "Every six months we introduce more patterns than the entire industry does in two years," boasts Rob Wheale, director of marketing.

However, the large number of patterns may have become a liability. The company was forced to retrench over the last few years, reducing the number of product offerings and raising prices.

A wide range of patterns has chipped away at Mikasa's share.

Mikasa's fine-china share slipped from roughly 18% in 1983 to under 10% last year, according to Macomber.

With a volume share of the dinnerware market that *Chain Store Age* estimates at 33%, Mikasa of late has regained respect from upscale retail outlets after initially earning a mixed reputation for extensive discounting. Following a leveraged buyout in 1986, the company tried to reposition itself as more of an upper-end marketer. "At one time Mikasa was thought of as 20%-30% off," Wheale says.

In addition to ads in magazines such as *Brides* and *Modern Bride*, Mikasa advertises extensively on a co-op basis at the store level. The company is about to embark on some direct-mail advertising.

GLASSWARE/CRYSTAL

Waterford

Waterford, the largest U.S. marketer of cut-crystal stemware and giftware, racked up $150 million in U.S. sales last year, Waterford Wedgwood says. Waterford's business doubled over the last four years, and the company experienced a 21% increase in sales volume last year.

Waterford, which controls the upper-middle to upper end of the market, has 30% of its business in stemware, 60% in giftware and 10% in lighting ware. With Wedgwood as its marketing partner, Waterford is poised to expand into its sister company's strongholds like the Orient and Europe, while tightening its grip on the U.S. crystal market.

Waterford has maintained its hold in the crystal segment with a consistently well-endowed national advertising budget, with only Lenox's coming close in tabletop. With more than $5 million spent in 1988, the company's print ads stress the artistry of the product, claiming, "Each piece is a signed original made by hand, as it was two hundred years ago." Waterford advertises in a wide range of bridal, shelter and upscale publications to reach its marriage-age and affluent consumers. The largest chunk of its sales are in fine department stores like Bloomingdale's and Marshall Field's, but jewelry-store chains and boutiques also comprise an important sales segment.

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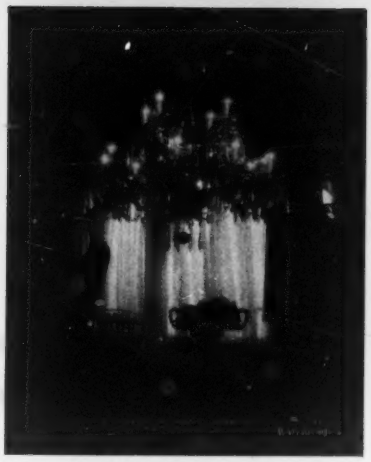
WHERE THE ZAPPER'S AT.



Waterford had $150 million in U.S. sales last year.

Waterford, which does not actively discount its products, doesn't sell in discount chains.

Lenox

Lenox, the number-two crystal company in the United States, gained an additional 4% of the U.S. fine crystal market in 1988, bringing its dollar share to 23.5%, says Macomber.

To stave off the effects of deep discounting in the category, Lenox has focused its line of fine-crystal stemware and barware on the high end, with stemware prices ranging from $21-$55. "There's a shakeout at the expense of Mikasa," asserts Tom McInerney, vice president of marketing at Lenox China/Crystal Division of Lenox Inc. in Lawrenceville, N.J. "Consumers are trading up to higher ticket items. Retailers are cramped for space." Lenox has preserved its position by convincing retailers to set up Lenox shops inside such stores as Marshall Field's and Macy's.

Lenox, whose tagline is "The Crystals of Lenox," spent $172,000 on magazine advertising in 1987, according to LNA, to promote its crystal stemware patterns.

Mikasa

As in fine dinnerware, Mikasa saw its dollar share of the U.S. crystal market diminish in 1988, from 17.3% to slightly over 11%, figures Macomber. Mikasa's best-selling line of mid-priced stemware is the Art Deco-inspired frosted Sea Mist.

Mikasa is considered one of the wave of importers that flooded outlets with less expensive glasses, leading to discounting wars. While Mikasa surely still discounts, the company recently introduced Signature, a new upscale crystal collection that it doesn't discount and can be found in high-end stores. Adds Mikasa director of marketing Rob Wheale, "Our discounting is not as severe as in the past. We used to have 50% off."

Mikasa focuses advertising on the local level, with regional media outlets instead of national magazines drawing the bulk of ad dollars.

Gorham

Gorham Inc., a marketer of glassware and silverware — it sells over 4,000 products — is the latest example of how the weak tabletop market has made companies vulnerable to profit-minded parent companies. In December, Mount Kisco, N.Y.-based Dansk purchased Gorham from Textron Inc. for an undisclosed price. Gorham had seen its dollar share of the crystal market slip from 12.9% to 10.7% last year, Macomber reports.

While Gorham's strongest-selling products are silver, the company's crystal stemware line includes an assortment of heavy-cut patterns and light-blown designs. Gorham says no marketing changes are planned in the aftermath of the ownership change, but the company recently refocused its advertising campaign to embrace all its tabletop products. The image-oriented approach was backed with a 150% ad budget increase last year, a company executive said. BAR/LNA lists Gorham's ad expenditures for crystal at about $60,000 in 1987, the year prior to the ad budget's sharp increase.

Sasaki

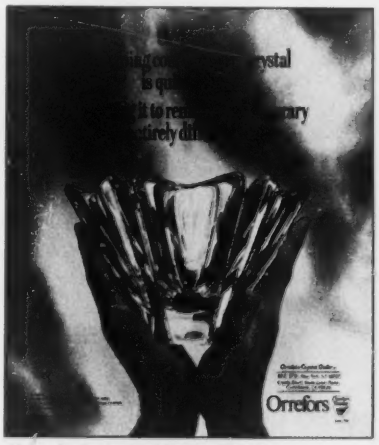
Sasaki USA, whose share of the fine-crystal market fell from 3.2% in 1987 to 2.8% in 1988, according to Macomber, is another Japanese owned company whose share slipped due to the dollar's fall against the yen. With prices ranging from $20 to $35 per stem, Sasaki sells its line of contemporary and traditional designs in the ritzier department and specialty stores.

Most of Sasaki's ad budget — LNA lists it at roughly $50,000, but company officials said it's at least ten times that — goes into co-op ads. Sasaki also sells flatware and dinnerware.

Orrefors

If glassware companies were ranked by the beauty of their advertising campaigns, Orrefors would win hands-down. Until a few years ago, the Berlin, N.J., company, owned by Orrefors Glasbruk in Sweden, was popular abroad but had poor recognition in the United States. Then it launched a haunting print campaign in 1986, "What it holds is your imagination." A new campaign appearing in major consumer magazines, at a cost of more than $1 million, emphasizes the craftsmanship evident in the company's line of goblets, barware and giftware. "We're the first one to go after the men's market," says advertising director John Smart, pointing to ads in *GQ* and *Esquire*.

Last year, reports Oreffors, the company's sales burst wide open, increasing roughly 70%. Orrefors 1989 product stock is already sold out because of the limited production capability of its sole Swedish manufacturing plant, where a new platinum-lined glass-producing tank is now under construction. Orrefors products retail for less than Waterford and Baccarat.



Orrefors puts the accent on quality.

Durand

Durand International maintains that its parent company in France is the world's largest producer of consumer glassware. The U.S. affiliate of J.G.

Durand in Arques, France, claims roughly one-third of total U.S. glassware sales, but had only 2.2% of U.S. dollar sales in the fine-crystal category in 1988, finds Macomber. The company's strength is in less expensive consumer glassware, and its sweeping product line includes regular glass, lead-crystal stemware, barware and giftware and opaque white cookware and bakeware.

The company's "Touch of Elegance" print campaign for crystal, priced by BAR LNA at $2.2 million in 1987, includes ads in trade and consumer magazines, with lower-end products advertised in *Family Circle*.

Baccarat

While Baccarat has a small percentage of U.S. crystal sales, the company's familiar upper-end name makes it an important tabletop player. Claiming double-digit sales increases each of the last five years, Baccarat's U.S. sales are estimated at more than $20 million for 1988.

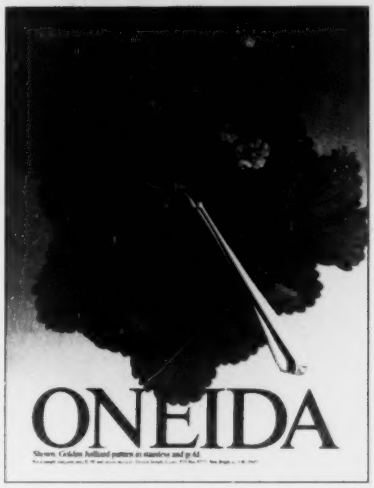
Owned by Compagnie des Cristalleries de Baccarat in Paris, Baccarat's crystal imports include stemware, barware, vases and decorative and gift pieces, ranging in price from $60 to $30,000. Baccarat's black-and-white print ad campaign appears in *The New Yorker*, *House & Garden*, *Vanity Fair*, *Gourmet* and *Architectural Digest*, as well as in newspapers on a co-op basis.

FLATWARE

Oneida

Oneida Ltd., the world's largest producer of flatware, dominates the U.S. market with an estimated 40% share in stainless-steel flatware and 50% share in silverplate, according to Packaged Facts. Its award-winning ad campaign, budgeted at $3.6 million in 1989, is among the most expensive and extensive in the tabletop business. Thanks to aggressive marketing and high brand awareness, Oneida managed to survive years of sluggish silver flatware sales. After a restructuring of its silver division in 1986, Oneida's silver line once again became profitable.

In addition to full-color ads in more than 20 different consumer magazines, ranging from shelter to upscale to bridal books, Oneida gives away products on popular television game shows. The print ads, which show one piece of flatware in an apparently unrelated environment — a fork on a bed of grass, a knife in a potted Brassolaelio Cattleya plant — have helped the company garner 15 Clios over the last ten years. The most recent Clio accolade came in '88.



Oneida leads in both stainless and silver flatware.

With frequent updates of its traditional lines to appeal beyond Middle America, Oneida has identified its primary consumer group as mostly affluent, home-oriented women in their 30s, the majority of whom are employed, married and own their own homes.

Reed & Barton is after a fashionable image.

Reed & Barton

Reed & Barton, based in Taunton, Mass., considers itself the "Cadillac of the silverware industry." Its sterling silver flatware and silver-plated flatware unmistakably are upper end, with prices for a four-piece sterling setting ranging from $150 to $200.

Hoping to expand beyond its traditional bridal market, the company now skews its media buy to fashion, lifestyle and shelter books. Aiming to attract upscale buyers of at least $50,000 annual household incomes, the company's roughly $750,000 ad budget in 1988 bought space in upscale books like *Bon Appetit*, *The New York Times Magazine* and *Food & Wine*, as well as bridal and shelter magazines.

Towle

Once a silverware powerhouse, Towle Manufacturing Company, unlike tabletop companies that are expanding into other segments, has gone back to basics. After years of overextending into crystal and glassware and being beset by widely fluctuating silver bouillon prices, Towle plunged into Chapter 11 two years ago.

Now Towle claims the future looks bright. Owned by Republic Corporation of America, a holding company, Towle is more carefully marketing its sharply diminished product offerings.

For example, Towle conducted market surveys of regions of the country and found that Southern consumers prefer lightly decorated patterns, and as a result will focus marketing of such designs in the South. Ad agency is Clark Goward Fitts in Boston.

Gorham

Gorham sells tabletop items ranging from china to crystal to flatware, but silver products comprise the largest component of its sales. In the wake of its sale to Dansk, the company will continue to focus its marketing efforts on the bridal market, with more attention down the road placed on married baby boomers.

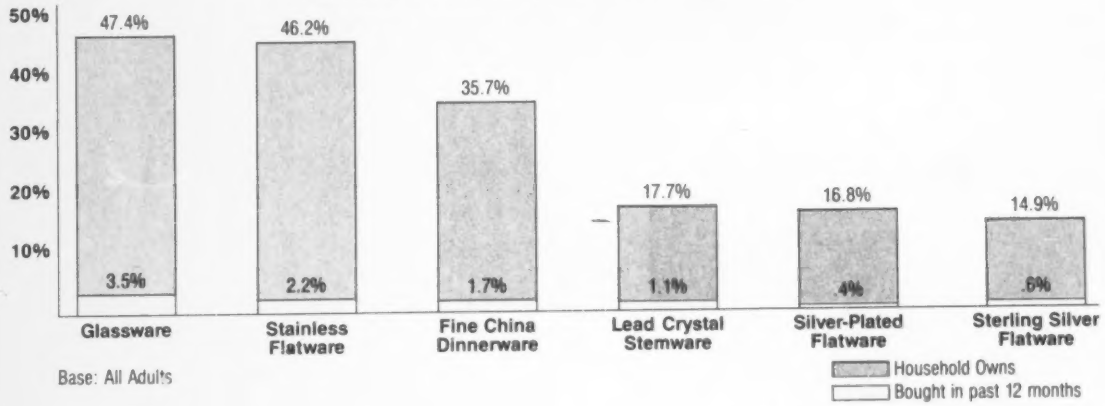
Ads stress the company's full-service approach, showing full place settings alongside its best-known sterling silverware. Print this year includes two additions to its bride and shelter magazine lineup — *Home* and *Victoria*. ■

BRAND REPORT INDEX

TABLETOP

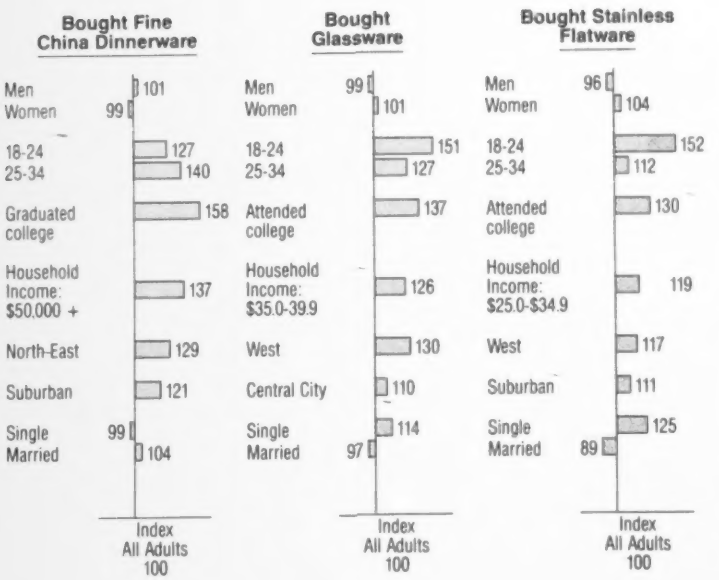
How to read: Our indices of user demographics and media preferences are used to indicate the direction and amount of difference from the average. The index of the average is, by definition, 100. Thus, an index of 112 reflects a 12% above-average incidence. An index of 89 indicates an 11% below-average incidence.

TABLETOP: Ownership and Recent Purchase



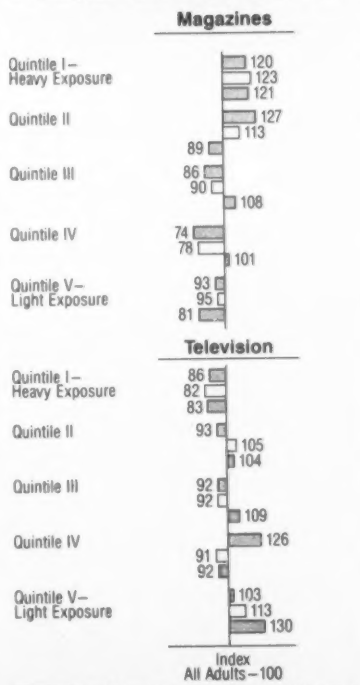
Base: All Adults

KEY DEMOGRAPHICS: Recent Tabletop Buyers



Bought in Past 12 Months

MEDIA EXPOSURE Among Recent Tabletop Buyers


Magazines
Quintile I– Heavy Exposure 120 123 121
Quintile II 127 113
Quintile III 89 86 90 108
Quintile IV 74 78 101
Quintile V– Light Exposure 93 95 81
Television
Quintile I– Heavy Exposure 86 82 83
Quintile II 93 105 104
Quintile III 92 92 109
Quintile IV 126 91 92
Quintile V– Light Exposure 103 113 130
Index All Adults–100
Fine China Dinnerware
Glassware
Stainless Flatware

Bought in Past 12 Months

Source: Mediamark Research, Spring, 1988

ECONOMIC EYE

CHILLING FACTS

Nielsen reports that 84.3% of Anchorage, Alaska, households had a VCR as a November 1988. Fairbanks was number two with 78.9%, but major markets such as Los Angeles, San Francisco/Oakland, Chicago and New York were also among the top ten. Overall national penetration for the tech toy is now 62.2%.

MAGAZINE AD SCORECARD

	Ad Pages Dec. 1988	% change from Dec. 1987	Dollars spent (000)	% change from Dec. 1987
1. Skin care, Creams, Lotions and Oils	146.84	40.0%	6,201.4	45.5
2. Lip and Eye Beauty Products	34.99	−43.0	1,241.0	−46.5
3. Scents and Fragrances	435.62	12.5	13,925.8	15.9
4. Facial Makeup Products	53.82	11.5	2,271.1	36.9
5. Prepared dinners and Entrees (including pizzas)	40.98	91.6	2,468.1	31.8
6. Liquor	738.40	−6.4	33,094.8	8.2
7. Cigarettes	638.78	+23.8	35,394.1	40.4
8. Soaps and Detergents	13.81	−74.0	817,064.0	−77.1
9. Passenger Cars, Domestic	559.76	+27.9	29,787.4	35.9
10. Passenger Cars, Imported	653.70	−6.0	30,532.2	8.9

Source: Publishers Information Bureau as prepared by Leading National Advertisers.

MEDIA COST INDEX

1985 = 100 ← 1988 →

	March	% change	April	% change	May	% change	June	% change	July	% change	Aug.	% change	Sept.	% change	Oct.	% change
Network TV																
Daytime	82	−7	78	−15	76	−18	73	−22	81	−17	73	−14	146	+60	82	−16
Nighttime	113	+13	99	−0	110	−0	122	+8	110	+0.3	118	+4	118	+11	114	−9
Spot TV																
Prime time	115	−12	125	−9	126	−8	125	−4	–	–	125	−8	141	+14	–	–
Daytime	98	−9	95	−18	103	−13	93	−10	–	–	100	−14	107	+4	–	–
Network radio	121	−4	116	+0	116	+2	116	+2	102	−0.5	111	+6	112	+5	131	+8
Spot radio	106	+3	–	–	–	–	101	+3	–	–	–	–	105	+2	–	–
Consumer magazines	115	+4	115	+5	115	+5	115	+5	115	+5	114	+5	116	+6	115	+5
Natl. Sunday mags	116	+13	116	+13	116	+13	116	+13	116	+13	128	+14	130	+10	130	+10
Business publications	117	+5	117	+5	117	+5	117	+5	117	+5	117	+5	118	+6	118	+5
Newspapers	124*	+7	124	+7	124	+7	124	+7	124	+7	124	+7	123	+7	124	+7
Outdoor	123	+11	123	+8	123	+8	123	+8	123	+8	123	+8	123	+8	113	−4

Notes: Percentage shown is relative change from the same month/period the year before.
*Revised

Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per column inch of a sample of 784 newspapers weighted to represent the universe.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

Business Publications estimate based on reported SRDS cost of a page, four-color in 46 publications representing 42 business and professional classifications.